

Remarks/Arguments:

Claims 1-36 are presently pending and all pending claims stand rejected. Applicant herein amends claims 1, 3, 4, 5, 6, and 17 and cancels claim 36. Support for the amendments can be found throughout the specification as originally filed. For example, see page 78, lines 22-27; page 79, lines 6-23; and page 81, lines 20-27. Applicant contends that no new matter is added. Applicant requests reconsideration in view of the above amendments and the following remarks.

Section 1 of the Office Action recites that "... the Examiner is considering this amendment to be compliant when in fact the failure of the applicant to comply with rule 37 CFR 1.121 regarding the appropriate presentation of amended claim 1 in particular step f would have rendered the amendment as non-compliant." Applicant appreciates the Examiner's attempt to further prosecution in this regard.

Section 2 of the Office Action recites that "Claims 1-17, 38 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement." In particular, the Office Action objects to the use of the term Remote Authorization Attempt Limit (RAAL). Although applicant believes the claims including this term are in fact supported by the specification, in order to expedite prosecution applicant herein amends these claims such that they no longer include this term. Applicant contends that the claims as presently written are fully supported by the specification and respectfully requests that the rejection under 35 U.S.C. § 112 be withdrawn.

Section 3 of the Office Action recites that "Claims 1-33, 36 are rejected under 35 U.S.C. 103(a) as being unpatentable over Levasseur (U.S. Patent No. 6,427,912) in view of Teicher (U.S. Patent No. 5,728,999) in further view of Hintz (Hintz, Klaus. *Put It On My Card, Please*, CMA. Hamilton: Apr 1998, Vol. 72, Iss. 3; pg. 18, 3 pgs.)." Applicant contends that claim 1 includes at least one feature that is not disclosed, taught, or suggested by the applied references.

Claim 1 is directed to a method of processing a cashless payment transaction. The cashless payment transaction method of claim 1 includes the following features:

- a) obtaining at an audit-credit-interactive system a plurality of card identification data;
- b) attempting at least one remote transaction authorization for the cashless payment transaction;

- c) performing a local transaction authorization test for the cashless payment transaction after failure of the at least one remote transaction authorization attempt; and
- d) authorizing a vending transaction responsive to the local transaction authorization test.

This means that when processing a cashless payment transaction, at least one remote transaction authorization is attempted before performing a local transaction authorization test. The cashless payment transaction is then authorized responsive to the local transaction authorization test.

None of the applied references disclose, teach, or suggest attempting at least one remote transaction and then performing a local transaction authorization test after failure of the remote transaction authorization attempts.

In a conventional card authorization process, access to remote processing bureaus can take 10 or more seconds to complete. In certain vending venues and/or while vending certain types of products, a 10 or more seconds delay may be unacceptable, see page 78, lines 21-26. This problem is overcome by the features of claim 1 which call for attempting to perform remote authorization and then performing a local authorization if it is determined that the remote authorizations have failed after a particular number of attempts. The applied references (either alone or in combination) do not disclose features that are capable of overcoming such a limitation in conventional systems.

Claim 18, while not identical to claim 1, includes many of the same features of claim 1. Accordingly, applicant contends that claim 18 is allowable for at least the same reasons that claim 1 is allowable.

Claims 2-16 and claims 19-35 ultimately depend from claim 1 and claim 18, respectively. Thus, these claims include all the limitations of either claim 1 or claim 18 and, therefore, are allowable for at least the reasons set forth above that claims 1 and 18 are allowable.

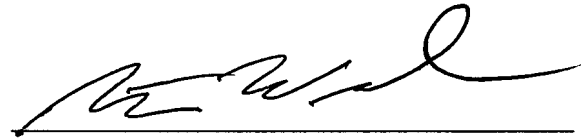
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In view of the above amendments and the remarks, applicant contends that this application is now in condition for allowance and early notification to that effect is earnestly solicited.

Respectfully submitted,

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